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MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: District of Columbia Income Tax Withholding by  
Federal Employees

REFERENCE: Memorandum from OGC to D/Pers, same subject, dated  
29 October 1956

1. This memorandum is for your information.
2. This Office with the cooperation and assistance of the Comptroller's Office, the Office of Security, Office of General Counsel and the Central Cover Branch has initiated procedures for the withholding of the District income tax from the salaries of employees at headquarters. These procedures are now in effect and withholdings for the District taxes are being made.
3. Concurrently, representatives of the Offices indicated above formulated similar procedures for the foreign field based essentially on District instructions. A book dispatch establishing the procedures for the field was drafted by this Office. However, it was subsequently determined, as indicated in referenced memorandum, that there was a conflict in the instructions issued by the District and the Treasury Department on this matter. Further review indicates that the Treasury instructions are controlling and that they do not require implementation of the tax withholding outside the District. Therefore, it is determined that implementation of the District income tax withholding for Agency employees stationed (PCS) in the foreign field stations and bases is not required.

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Harrison G. Reynolds  
Director of Personnel

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